

# If You Are Disabled and on Medicare



Know Your Rights  
to Open Enrollment into  
Medicare Supplemental  
Insurance Policies

Department of Social Services  
**Adult Services & Aging**

In South Dakota, people under age 65 who become eligible for



Medicare due to a disability are allowed a six-month open enrollment period. This rule only applies to disabled people who become Medicare eligible on or after July 1, 1999.

During the open enrollment period, disabled people are entitled to a Medicare supplemental insurance policy without medical underwriting. Medical underwriting is when an insurance company looks at a person's medical history and condition and decides whether to issue a policy.

Certain restrictions imposed by insurance companies will continue to apply. For example, a fraternal benefit society may require certain eligibility requirements such as being a Lutheran and AARP may require AARP membership.

# Medicare Supplemental Insurance Choices

There are currently 10 standardized Medicare supplemental policies offered on the market. These plans are labeled A through J. Plan A contains basic benefits, also known as the core benefit package, to supplement the Medicare program.

Plans B through Plan J contain the Plan A core benefit package, plus various other benefits to supplement the Medicare program.

Basic “core” benefits include:

- **Hospitalization:** Part A coinsurance plus coverage for 365 days after Medicare benefits end.
- **Medical Expenses:** Part B coinsurance (20 percent of Medicare-approved expenses).
- **Blood:** First three pints of blood each year.

Insurance companies may offer a “high deductible” option on Plan F or Plan J. If you choose this option, you must pay \$1,650 (2003) out-of-pocket per year before the plan pays anything.



Insurance companies may offer Medicare supplemental insurance as a “Medicare Select” policy. Medicare Select policies are the same as other Medicare supplemental insurance policies, except that they offer to pay in full for supplemental benefits if covered services are provided only through designated health professionals and facilities within a service area.

A “Medicare Select” provider network may be physician-only, hospital-only, or the network may apply to other providers of medical services as well.

# Medicare Supplemental Insurance Cost

Premiums for Medicare supplemental insurance will vary, depending on the policy selected. According to a 2003 Medicare supplemental insurance rate survey, the Plan F Medicare premiums range from \$1,028 to \$2,182 per year.

A Medicare supplemental insurance premium for a disabled person under age 65 may not exceed the premium for a 75-year-old who is eligible for Medicare because of age.



# A Different Health Plan Choice: Medicare Private Fee for Service Plan

A Private Fee For Service (PFFS) Plan is a health plan sold by a private insurance company. The plan charges a premium and cost-sharing amounts and lets people on Medicare choose the providers that they want to see.

Sterling Life Insurance Company (1-888-858-8572) and Humana, Inc., (1-800-222-0054) offer Private Fee For Service plans in South Dakota.

Under a Private Fee for Service Plan, there are no network restrictions, but you must see providers who agree to accept the plan's terms, conditions and rate of payment.

Sterling's plan is available in all South Dakota counties.

Humana's plan is **not available** statewide. Contact Humana, Inc. at 1-800-222-

0054 to see if this plan is available in your area.

In a Private Fee For Service Plan, deductible and co-payment costs are set by the company and are different than those in the traditional Medicare program. For more information, contact Medicare (1-800-633-4227) or SHIINE (1-800-536-8197).

## **For More Information**

For more information, contact the Senior Health Information and Insurance Education (SHIINE) program toll-free at 1-800-536-8197. SHIINE is a federally funded program available through the South Dakota Department of Social Services' Office of Adult Services and Aging.

SHIINE has trained volunteer counselors who can assist people, free of charge, who have problems or questions with Medicare or private Medicare supplemental and long-term care insurance.



Visit our Web site:

**[www.state.sd.us/social/  
ASA/shiine](http://www.state.sd.us/social/ASA/shiine)**

**Toll-free:  
1-800-536-8197**

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